

(2) RUS shall not make loan funds available for late payment interest charges.

[54 FR 3984, Jan. 27, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 58 FR 66259, Dec. 20, 1993; 59 FR 17464, Apr. 13, 1994]

#### § 1753.16 Architectural services.

(a) The borrower shall be responsible for selecting an architect to perform the architectural services required in the design and construction of buildings.

(b)(1) When contracting for architectural services for major construction, the borrower shall use Form 165, except for unattended central office buildings, in which case either Form 165 or Form 217 shall be used. Except for preloan studies (see 7 CFR part 1737), the borrower shall incur no obligation for architectural services until RUS has approved this agreement. A borrower shall not enter into the architectural services contract for major construction before RUS has approved the borrower's LD.

(2) Reasonable modifications or additions to the terms and provisions in Form 165 may be made in order to obtain the specific services needed for a particular undertaking. Changes shall not be made that relieve the architect of any of the responsibilities set forth in the standard form. Borrowers should obtain assistance from their legal counsel to ensure that the contracts are properly prepared and executed.

(3) If the fee schedule has to be modified in order for the borrower to obtain adequate architectural services, the borrower shall obtain written RUS approval of the revised fee schedule prior to executing contracts.

(4) Three copies of Form 165 executed by the borrower and the architect shall be sent to the GFR to be forwarded to RUS for approval. If RUS approves the contract, one copy will be sent to the architect and one to the borrower.

(5) Loan funds will not be available to pay for the preliminary architectural services if a loan is not made for the construction project, or if the construction project is abandoned.

(6) Subpart D of 7 CFR part 1753 sets forth the requirements and procedures to be followed by borrowers con-

structing central office, warehouse, and garage buildings with RUS loan funds.

(c)(1) RUS telephone borrowers shall obtain two copies of a completed Form 284, Final Statement of Architect's Fees, when all services and obligations required under the architectural services contract have been completed. All fees shown on the statement shall be supported by detailed information where appropriate. For example: out-of-pocket expense, cost plus, and per diem types of compensation shall be listed separately with labor, transportation, etc., itemized for each service involving these types of compensation.

(2) If Form 284 and supporting data are satisfactory, the borrower shall approve the statement, sign both copies, and send one copy to the GFR.

(3) Upon approval of Form 284 by RUS, the borrower shall promptly make final payment to the architect.

[54 FR 3984, Jan. 27, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 43717, Aug. 25, 1994]

#### § 1753.17 Engineering services.

(a)(1) All engineering services required by a borrower to support its application for a loan shall be rendered by a qualified engineer selected by the borrower or by qualified employees on the borrower's staff. The selection of the preloan engineer, the form of preloan engineering service contract, and the contract itself, are not subject to RUS approval. Borrowers, however, should discuss their proposed method of obtaining preloan engineering services with the GFR before proceeding with any arrangements.

(2) Form 835, Preloan Engineering Service Contract, Telephone System Design, is a suggested form of preloan engineering service contract. While use of this form of contract is not required, it will be helpful in determining the tasks to be performed. Any form of contract used shall specify that preloan engineering services conform to RUS requirements for preloan studies. See subpart D of 7 CFR part 1737.

(b)(1) *Major construction.* (i) Three copies of Form 217 executed by the borrower and the engineer shall be sent to the GFR to forward to RUS for approval. The engineer's estimate of the